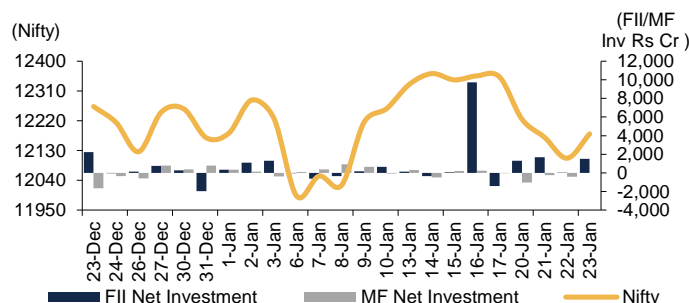


Indian equity benchmark indices' returns

Broad Indices	Jan 24	% chg week	% chg 3 Mon	% chg Year
S&P BSE Sensex	41,613	-0.79	6.64	14.97
Nifty 50	12,248	-0.84	5.75	12.89
Nifty 500	10,084	-0.35	6.85	11.15
S&P BSE 100	12,382	-0.59	5.94	11.54
S&P BSE Midcap	15,823	0.72	10.35	6.48
S&P BSE Smallcap	14,846	0.93	12.43	4.36

FII and mutual fund investment vs. Nifty



Sectoral Indices	Jan 24	% chg week	% chg 3 Mon	% chg Year
S&P BSE CG	17,727	2.21	-3.35	2.16
S&P BSE CD	26,353	2.01	-3.62	25.87
S&P BSE Realty Index	2,516	1.52	23.89	34.79
S&P BSE IT	16,234	0.72	12.49	10.02
S&P BSE Healthcare	14,109	0.41	9.47	0.79
S&P BSE FMCG	11,941	0.16	-0.62	2.03
S&P BSE Bankex	35,668	-1.02	8.35	16.67
S&P BSE Oil & Gas	14,596	-1.03	-3.52	6.23
S&P BSE Power	1,978	-1.32	0.06	3.97
S&P BSE Auto	18,566	-1.77	3.36	-3.44
S&P BSE Metal	10,364	-2.42	15.16	-4.50

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	Jan 24	Previous Week	1 month ago
Call Rate	4.90%	5.00%	5.10%
10 Yr G-Sec*	6.58%	6.63%	6.58%
3-M USD Libor^	1.79%	1.82%	1.91%
6-M USD Libor^	1.82%	1.84%	1.90%
1-Y USD Libor^	1.89%	1.92%	1.97%

*6.45% 2029 paper ^As of Jan 23

Currencies vs INR

Currency	Jan 24	Week ago	3 months ago	1 year ago
USD	71.32	71.08	71.02	71.07
GBP	93.35	92.66	91.59	92.56
Euro	78.71	78.95	79.03	80.57
Yen*	65.06	64.52	65.41	64.87

*exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- Indian equities ended the week on a disappointing note. S&P BSE Sensex and Nifty 50 fell nearly 1% each.
- Lacklustre corporate earnings season and profit booking ahead of the Union Budget due next week weighed on the market.
- Sentiments were dented further after the International Monetary Fund (IMF) lowered India's growth forecast.
- The benchmark also mirrored losses in global equities, which were weak due to concerns over infectious coronavirus virus that has hit China.
- Selling pressure in metal, auto and power firms brought in more losses into the market. S&P BSE Metal (biggest sectoral decliner), S&P BSE Auto and S&P BSE Power lost 2.4%, 1.8% and 1.3%, respectively.
- Shares of Bharti Infratel emerged the biggest gainer on the Nifty 50, rising 11.94% to settle at Rs 244.3 per share after the Supreme Court rejected the review petition for its October 24 verdict that widened the definition of adjusted gross revenue.
- However, some losses were recouped following buying interest in capital goods, and consumer durables counters. S&P BSE Capital Goods (topmost sectoral gainer) and S&P BSE Consumer Durables jumped 2.2% and 2%, respectively.
- Shares of UPL emerged the biggest laggard on the Nifty 50, falling 7.80% to settle at Rs 543.3 per share following reports of suspected tax evasion and account manipulation by the company.

2. Debt

- The interbank call money rate settled at 4.90% on January 24, compared with 5.00% on January 17.
- Government bond prices ended higher. Yield on the 10-year benchmark 6.45% 2029 paper settled at 6.58% on January 24, compared with 6.63% on January 17.
- Bonds began the week on a dim note, as the debt-switch auction added to the supply of longer maturity paper in the market.
- Prices remained flat midweek ahead of the RBI's special open-market operations (OMO).
- Bond prices advanced following the special OMO auction outcome, as the cut-off price for the benchmark note was higher than expected.
- An intermittent decline in crude oil prices, and falling US benchmark treasury yields (due to concerns over the outbreak of the coronavirus in China) also aided domestic gilt prices.

3. Forex

- The rupee ended lower against the US dollar, tracking sporadic decline in domestic equities.
- Muted risk appetite amid fears about the spread of a new coronavirus from China also dented sentiment for the local unit.

International equity benchmark indices' returns

Indices	Jan 24	% chg week	% chg 3 mon	% chg Year
DJIA*	29,160	-0.64	8.67	18.76
Nasdaq Composite*	9,402	0.14	15.80	32.93
FTSE 100*	7,508	-2.17	3.40	10.10
Nikkei 225	23,827	-0.89	5.17	15.81
Straits Times	3,240	-1.25	2.25	1.54
Hang Seng	27,950	-3.81	4.30	3.06
Shanghai Comp*	2,977	-3.22	1.21	14.85

*As of Jan 23

International debt market indicators

Indicators	Jan 24	Jan 17
US 10-Year*	1.74	1.84
UK 10-Year*	0.59	0.63
German 10-Year*	-0.31	-0.22
Japan 10-Year	-0.02	0.00

*As of Jan 23

Commodities

Commodity	Jan 24	% chg week	% chg 3 mon	% chg Year
Brent Crude Oil (\$ per barrel)*	62.04	-4.33	0.60	1.56
Gold (\$ per troy ounce)*	1562.90	0.34	4.43	21.75
Silver (\$ per ounce)*	17.60	-2.55	0.40	15.03
Indian gold (Rs per 10 gm)	40002	0.50	4.50	24.24
Indian Silver (Rs per Kg)	46116	-0.88	1.48	19.35

*As of Jan 23

Source: Respective commodity exchanges, LBMA, MCX

B. International

1. Equity

- Fears of spreading of the coronavirus that originated in China, and its potential impact on the world economy, dented most global equities.
- US stocks posted mixed performance, with Dow Jones falling 0.6% while Nasdaq closed up 0.1%.
- Favourable domestic economic data and corporate earnings buoyed markets earlier.
- US housing starts surged by 16.9% to an annual rate of 1.61 mn in December after jumping by 2.6% to a revised rate of 1.38 mn in November; building permits tumbled by 3.9% to an annual rate of 1.42 mn in December after climbing by 0.9% to a revised rate of 1.47 mn in November.
- US existing home sales spiked by 3.6% to an annual rate of 5.54 mn in December after tumbling by 1.7% to a rate of 5.35 mn in November.
- However, most gains were erased on reports of spreading of the Chinese coronavirus that triggered concerns regarding a pandemic that might affect global economic growth.
- Britain's FTSE gave up 2.2% as the spread of a new coronavirus in China raised economic growth worries.
- Markets were positive earlier on tracking Chinese economic growth numbers and as weakness in the pound supported exporters' shares.
- Asian equities closed in the negative territory. Japan's Nikkei index fell around 1% due to fall in the airline stocks and on global economic growth worries following outbreak of a new coronavirus in China.
- A pullback in commodity related and other cyclical stocks dented the market further.
- Hong Kong's Hang Seng index plunged nearly 4% on concerns about the spread of a virus in China, and losses in consumer, energy and real estate stocks.
- China's Shanghai Composite nosedived 3.2% on worries about spreading of a new virus in the country.

2. Commodity

- Crude oil prices declined this week on demand and economic growth worries due to the spread of the coronavirus outbreak in China.
- Indian gold prices rose in this week owing to positive global cues and increased demand from local jeweler.
- Indian silver prices declined this week due to lower offtake from industrial units and coin traders.

C. News summary

1. Domestic

- International Monetary Fund (IMF) trimmed its current fiscal growth estimate for India to 4.8% from 6.1% it projected in October, citing stress in the non-bank financial sector and weak rural income growth as the major factors for the downward revision.
- According to a UN report, India was among the top 10 recipients of Foreign Direct Investment (FDI) in 2019, attracting \$49 bn in inflows, up 16% from the previous year.
- A report by India Ratings and Research said India's growth rate is expected to be marginally higher at 5.5% in 2020-21 against the estimated 5% for the current fiscal on the back of strong policy push coupled with revival in demand.
- Government raised goods and service tax (GST) collections target to Rs 1.15 lakh cr for February and Rs 1.25 lakh cr for March.
- Government set up a National Startup Advisory Council to advise it on measures needed to build a strong ecosystem for nurturing innovation and start-ups in the country.
- RBI increased the investment limit for foreign portfolio investors (FPIs) in government and corporate bonds to 30% from 20% earlier.
- RBI doubled the investment limit in debt under the Voluntary Retention Route (VRR) for investments by FPIs to Rs 1.5 lakh cr from Rs 75000 cr earlier.

2. International

- IMF slightly revised downwards the growth outlook for the global economy; the new projections estimate growth at 2.9% in 2019, 3.3% in 2020 and 3.4% in 2021.
- US housing starts surged by 16.9% to an annual rate of 1.61 mn in December after jumping by 2.6% to a revised rate of 1.38 mn in November; building permits tumbled by 3.9% to an annual rate of 1.42 mn in December after climbing by 0.9% to a revised rate of 1.47 mn in November.
- US existing home sales spiked by 3.6% to an annual rate of 5.54 mn in December after tumbling by 1.7% to a rate of 5.35 mn in November.
- US industrial production fell by 0.3% in December after climbing by a downwardly revised 0.8% in November; capacity utilization for the industrial sector slid to 77% in December after climbing to an upwardly revised 77.4% in November.
- European Central Bank (ECB) decided to keep the refinancing rate unchanged at a record low 0%, the deposit rate at 0.50% and the marginal lending rate at 0.25%.
- Bank of England says it will ease its liquidity monitoring system put in place in case Britain left the European Union without a transition deal.

D. Week ahead

Day	Events
Monday, January 27, 2020	<ul style="list-style-type: none"> US New Home Sales, December US Dallas Fed Manufacturing Activity, January
Tuesday, January 28, 2020	<ul style="list-style-type: none"> US Consumer Confidence, January US Durable Goods Orders, December US S&P/Case-Shiller Home Price Indices, November
Wednesday, January 29, 2020	<ul style="list-style-type: none"> US Federal Open Market Committee (FOMC) Rate Decision US Goods Trade Balance, December US Pending Home Sales, December US Wholesale Inventories, December US Crude Oil Inventories, January 25 UK Nationwide House Price Index, January Japan's Consumer Confidence Index, January
Thursday, January 30, 2020	<ul style="list-style-type: none"> US GDP, Q4 2019 US Initial Jobless Claims, January 24 Eurozone Consumer & Economic Confidence, January Eurozone Unemployment Rate, December Bank of England (BoE) Interest Rate Decision and Quarterly Inflation Report China's Official Manufacturing & Non-manufacturing PMI, January Japan's Industrial Production, December Japan's Unemployment Rate, December Japan's Retail Trade, December
Friday, January 31, 2020	<ul style="list-style-type: none"> US Personal Income & Spending, December US University of Michigan Consumer Sentiment Index, January US Chicago PMI, January Eurozone GDP, Q4 2019 Eurozone Consumer Price Index, January UK GfK Consumer Confidence, January UK Consumer Credit, December India's fiscal deficit, December India's Forex Reserves, January 25

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